



Department of Labor

*Working Together for Vermont*

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# Employer Health Care Contributions Reporting Requirements

*Vermont Department of Labor*

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[www.labor.vermont.gov](http://www.labor.vermont.gov)

Updated: 06/01/07

# What is Catamount Health?

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- Catamount Health is part of a broad health care policy reform.
- Primary Goals:
  - ü Increase Access
  - ü Improve Quality of Care
  - ü Contain Costs



# Goal: Increase Access

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## § Enhance Private Insurance Coverage

- ü Catamount Health Plan for the Uninsured
- ü Promotion of Employer Sponsored Insurance (ESI)

## § Improve Outreach to Uninsured

- ü Toll-free Help Line
- ü Aggressive Marketing

## § Assist with Affordability

- ü Premium Assistance (ESI, Catamount)
- ü Reduction in VHAP Premiums



# Goal: Improve Quality of Care

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- Chronic Care Management
- Increase Provider Access to Patient Information
- Promote Wellness
- Promote Quality Improvement
- Increase Provider Availability



# Goal: Contain Costs

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- **Increase Access to Coverage and Care**
  - à Decreased Uncompensated Care à Lower Premium Costs
- **Improve Quality of Health Care**
  - à Appropriate Care à Lower Costs
- **Decrease Cost Shift**
  - Increase Medicaid Provider Rates
  - Cost Shift Task Force
  - Standardize Policy for Hospital
  - Uncompensated Care and Bad Debt
  - Hospital Cost Shift Reporting Reforms
- **Simplify Administration**
  - Common Claims & Procedures
  - Uniform Provider Credentialing



# Catamount Health Plan

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- ✓ A non-group insurance product for uninsured Vermont residents
- ✓ Comprehensive insurance package covering:
  - § Primary care
  - § Acute episodic care
  - § Hospital services
  - § Preventative care
  - § Chronic care
  - § Pharmaceutical coverage
- ✓ Offered by private insurers in the small group market, beginning Oct. 1, 2007
- ✓ Individuals may choose among insurers
  - BCBS, MVP, and potentially others



# Eligibility

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- Offered to uninsured Vermonters

- **Ø Uninsured means:**

- No private insurance for 12 months;
- Lost private insurance for:
  - Lost job;
  - Got divorced;
  - COBRA ended;
  - Policyholder death;
  - No longer dependent of parents;
  - Graduated, leave of absence of finished school; or
  - Lost VHAP or Medicaid eligibility.



# Participant Costs

- The cost of Catamount Health will depend on applicant's income and which insurer applicant signs up with.
- For the least expensive plan, Catamount Health will cost:

## Income by federal poverty level

*(1 person/annual in 2007)*

- Below 200% FPL (\$20,420)
- 200-225% (\$20,421 – 22,973)
- 225-250% (\$22,974 – 25,525)
- 250-275% (\$25,526 – 28,077)
- 275-300% (\$28,078 – 30,630)
- Over 300% (\$30,631)

## Monthly premium Cost

\$60.00

\$90.00

\$110.00

\$125.00

\$135.00

Full cost, estimated at \$370.00





# Premium Information

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- **Employer-Sponsored Insurance (ESI)**

- Ø Uninsured Vermonters with income less than or equal to 300% FPL may be eligible for ESI premium assistance
- Ø ESI plans must offer comprehensive benefits in order for the individual to receive premium assistance

- **Catamount Health**

- Ø Vermonters who qualify for Catamount Health with income less than 300% of Federal Poverty Level (\$30,630 for one person) may receive premium assistance from the state.



# Paying for Coverage

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- **Catamount Health Premium Assistance**
  - Beneficiary will pay his or her share to state
  - State will pay total premium to carrier
- **ESI Premium Assistance**
  - Employee will pay total premium to employer through payroll deduction
  - State will pay employee prospectively for premium assistance
  - Employers will not have to modify payroll or accounting systems
  - Employers may have to provide information on the plan's cost to the employees to assist with enrollment in the premium assistance program.



# Administration

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- The Department of Banking, Insurance Securities and Health Care Administration is overseeing regulation of insurance plans.  
(802-828-3301)
- The Agency of Human Services is responsible for determining who is eligible for the premium assistance.  
(800-250-8427)
- Vermont's Health Care Reform of 2006  
<http://hcr.vermont.gov/>



# Funding Sources

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- Increases in tobacco taxes;
- **Beneficiary premiums (paid on sliding scale based on income);**
- Matching federal dollars; and ....
- **Employer contributions.**



# VDOL & HC Reporting

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- **Act 191 - 2006 Legislative Session**

- Ø Amended during the 2007 session to include consideration for “seasonal” and “part-time” employees

- **Reporting period began April 1, 2007**

- **Contributions due determined on “uncovered” “FTE”.**



# Contribution vs. Eligibility

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**Q:** If I, as an employer, pay health care contributions, does that mean my employees will be covered by the Catamount Health Care Plan?

**A: NO**

- There will be eligibility requirements.
- Eligibility will be set by the Agency of Human Services.



# Two Main Considerations for Quarterly Reporting

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- 1 Do you include employee on your UI quarterly report?
- 2 Do you offer to pay a portion of a health care plan?



# 1<sup>st</sup> Consideration

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## 1 Do you include employee on your UI quarterly report?

- § **All employees on the quarterly report except...**
  - ü Someone who is not 18 the entire quarter.
- § **Based on hours worked**
- § **You can exclude hours:**
  - ü not worked, such as vacation, sick, or holiday pay;
  - ü worked out of state, but localized in VT.





## 2<sup>nd</sup> Consideration

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**2** Do you offer to pay a portion of a health care plan?

### **HEALTH CARE PLAN:**

- § Employer must pay a portion of a plan
- § Coverage must include both hospital and physician services
- § “Seasonal” and “Part-time” employees not eligible to enroll in the employer’s plan are handled differently.



# “Seasonal” Employee

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- Is an employee who:
  - 1) works for an employer who offers to pay a portion of a health care plan to ALL of its regular full-time employees; and
  - 2) works 30 or more hours per week, 20 or fewer weeks, in a job scheduled to last 20 or less weeks in a calendar year; and
  - 3) has health care coverage from a source other than VHAP or Medicaid.
- “Seasonal” employee remains classified as such throughout the calendar year.
- Employee must complete declaration.



# “Part-time” Employee

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- Is an employee who:
  - 1) works for an employer who offers to pay a portion of a health care plan to ALL of its full-time employees; and
  - 2) works less than an average of 30 hours per week, or fewer than a total of 390 hours in a calendar quarter; and
  - 3) has health care coverage from a source other than VHAP or Medicaid.
- Depending on the total hours worked, employee can be a “part-time” one quarter and not the next.
- Employee must complete declaration.



# “COVERED” Employee

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Hours worked do NOT need to be included in calculation because:

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- 1) You offer a health care plan and they take it;
- 2) You offer a health care plan, but they decline because they have coverage from another source;
- 3) Employee was not 18 on the first day of the reporting quarter;
- 4) Employee had coverage during part of the quarter.



# **“COVERED”** Employee

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- 5) The employee is “**enrolled**” in a health care plan you have offered, but coverage isn’t yet in effect, provided non-coverage period is 6 months or less.
- 6) “Seasonal” employee who has worked 20 or fewer weeks in the calendar year or a “part-time” employee who has worked fewer than 390 hours in the reporting quarter, both of which have declared health care coverage (other than VHAP or Medicaid).

**Hours worked by “covered” employees are EXCLUDED from the FTE calculation.**



# **“UNCOVERED”** employee:

Hours worked for the following employees  
MUST BE included in FTE calculations because:

- 1) You do NOT offer a health care plan that you pay a portion of, **REGARDLESS** if employees have health care coverage elsewhere;
- 2) The employee is not “eligible” for the health care plan offered by the employer;
  - Ø Would include employee in probationary period, unless they get coverage before the quarter ends.
- 3) The employee has no health care coverage;



# **“UNCOVERED”** employee:

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- 4) The “seasonal” employee has worked 21 weeks or more in the calendar year;
- 5) The “part-time” employee has worked 390 hours or more during the reporting quarter;

NOTE: Both “seasonal” and “part-time” classes:

- Ø assumes employee is not eligible to enroll in the plan the employer offers, and
- Ø employee has NO coverage or coverage through VHAP or Medicaid.

**Hours worked by “uncovered” employees MUST BE included in the FTE calculations.**



# Declaration of Coverage

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Completed ONLY by employees of an employer who offers to pay a portion of a health care plan.

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- Completed by employees who opted out of the employer's plan or by "seasonal" or "part-time" employees;
  - Ø2007 Legislative session required VDOL to create form, which must be used in the future;
- The declaration must state whether they have health care coverage and be signed by the employee;
- Declarations must be renewed annually and retained in your files for three years.





# FTE

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- FTE stands for Full Time Equivalent.
- To calculate the number of FTEs, take the total hours worked by all **UNCOVERED** employees in the reporting quarter and divide by 520.
- Hours over 520, **PER EMPLOYEE**, in the reporting quarter do not have to be counted.



# How do I calculate my Health Care Contribution?

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Hours worked by “uncovered” employees

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520 (Rounded down)

= Unadjusted FTEs

Subtract exemption

= Adjusted & Reportable FTEs

X \$91.25



# How do I calculate my Health Care Contribution?

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## Exemptions are...

- 8 through end of 2<sup>nd</sup> quarter 2008
- 6 beginning 3<sup>rd</sup> quarter of 2008
- 4 beginning 3<sup>rd</sup> quarter of 2009, and subsequent.



# Worksheet Form HC-1

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Include any “uncovered” employees, who were 18 or older for the entire quarter, whose wages were reported on the upper portion of the C-101 report.

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**Section I** - If you do **NOT OFFER** to pay a portion of a health care plan for ANY employees:

## **Sec I - Line 1:**

- Enter the total number of hours worked by all employees you employed during the reporting quarter on this line and proceed to “Calculations” section of this form.



# Worksheet Form HC-1

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**Section II** - If you **DO OFFER** to pay a portion of a health care plan for some or all employees:

**Sec II - Line 1:**

- Enter the total number of hours worked by all employees, who were offered and are eligible for coverage, but elect not to accept the coverage and have no other health care coverage.

**Sec II - Line 2:**

- Enter the total number of hours worked by all employees who are not eligible for health care coverage offered by you. You should also report on this line the total number of hours worked by all “seasonal” or “part-time” employees who: 1) do not have health care; or, 2) have VHAP or Medicaid; or, 3) have worked over the hours/time period allowable to be classified as a “seasonal” or “part-time” employee.



# Worksheet Form HC-1 Calculations

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- Line A. Enter the grand total of hours worked by all “uncovered” employees previously totaled. *(If grand total is a partial hour, round down to the nearest hour.)*
- Line B. Divide Line A by 520 and enter results. This is your unadjusted FTE. *(If necessary, round down to the nearest whole number.)*
- Line C. Subtract the number of exempted employees from Line B and enter results. This is your adjusted and reportable FTE count. *(\*8 is the number of exempt employees through June 30, 2008)*
- Ø ***Report this total on C-101 Line 16***
- Line D. Multiply line C by \$91.25 and enter the results. This is your quarterly Health Care Contribution.
- Ø ***Report this total on C-101 Line 17***



# Important Reporting Fields on Bottom Portion of C-101

EMPLOYER NUMBER:		QUARTER ENDING:		DUE DATE:	
Employment Information		1st month total	2nd month total	3rd month total	3rd month FEMALE only
8. For each month during this quarter, report the number of covered workers who worked or received pay for the payroll period that includes the 12th day of the month.					
9. Status of business - check all that apply: <input type="checkbox"/> No longer have employees in VT <input type="checkbox"/> Discontinued business in VT <input type="checkbox"/> Ownership or name as shown above has changed					
UI Tax Contributions			Health Care Contributions		
10. Total Gross Wages Paid to all Subject Employees this Qtr.			Department Use Only	16. Number of Uncovered FTE: (Line C from Worksheet)	
11. Portion of Quarterly Wages from Line 10 IN EXCESS of Year Limit Per Employee of \$8,000				17. Total HC Contributions Due: (Line D from Worksheet)	
12. Taxable Wages - Subtract Line 11 from Line 10				<b>Total Amounts Due Vermont Department of Labor (VDOL)</b>	
13. Contribution Tax Due (Line 12) Times Your Rate of %				18. Add Lines 15 and 17 together and enter total:	
14. Credit Adjustment (Subject to Change, see instructions)				<b>Submit payment payable to VDOL for the total amount indicated on Line 18.</b>	
15. <b>TOTAL SUTA Tax Due</b> - Line 13 Minus Line 14; if amount is negative, enter 0			SIGNATURE AND TITLE (Must be owner, principal officer or authorized representative)		
CERTIFICATION: I certify I have compiled this report with the requirements of 21 VSA Section 687 relating to securing workers' compensation coverage for my employees and the information contained in this report and all attachments are correct to the best of my knowledge.		Department Use Only		Telephone Number	
				Date	

- Ø Reporting on upper portion of C-101 has NOT changed.
- Ø If nothing to report - enter "0".
- Ø Must send ONE report with ALL required data.





# Example:

## Employer has 17 employees

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**Health Care information:** Employer offers to pay a portion of a plan to all its employees who work year round, averaging 30 hours per week. Health care is NOT offered to seasonal employees, regardless of the number of hours worked each week.

- è # (1), (2), & (9) - enrolled in the health care plan to which the employer contributes;
- è # (3), (5), (13), & (17) - covered under spouses' plans;
- è # (12) - VHAP coverage;
- è # (15) - offered health care through employer, but declined it and has no other insurance;
- è All other employees do not have health care coverage.





# Example:

## Employer has 17 employees

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### Hours worked information:

- è # (1- 4), (6 - 8), and (16) worked 40 hours per wk;
- è # (9 - 11) worked 30 hours per wk;
- è # (12) and (14) worked 20 hours per wk;
- è # (13) worked an average of 25 hours per wk, totaling 300 hours for the quarter;
- è # (15) worked 50 hours per wk;

### Seasonal Employees:

- è # (5) worked the 18<sup>th</sup> wk as a “seasonal” employee;
- è # (17) worked 40 per wk and the 21<sup>st</sup> wk as a “seasonal” employee.





#1



#2



#3



#4



#5



#6

#12 is “part-time”, but has VHAP



#7



#8



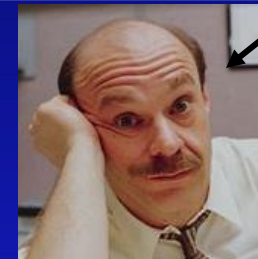
#9



#10



#11

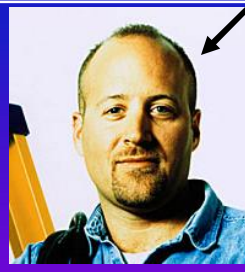


#12

#14 is “part-time”, but has no HC coverage



#13



#14



#15



#16



#17

#17 worked 21 wks; NO longer can be exempted as seasonal.

“Covered” employees are removed from FTE calculations.





#4



#6



#7



#8



#16



#17

#4, 6, 7, 8, 16, & 17  
 Worked 40 hours per week;  
 $6 \times 40 \text{ hours} \times 13 \text{ weeks} = 3120 \text{ hours}$

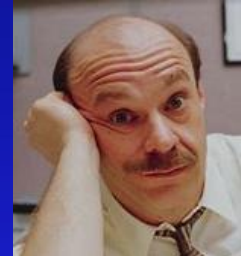


#10



#11

#10 & 11  
 Worked 30 hrs per wk;  
 $2 \times 30 \text{ hrs} \times 13 \text{ wks} = 780 \text{ hours}$



#12



#14

#12 & 14  
 Worked 20 hrs per wk;  
 $2 \times 20 \text{ hrs} \times 13 \text{ wks} = 520 \text{ hours}$



# 15

Worked 50 hours per week;  
 $1 \times 50 \text{ hours} \times 13 \text{ weeks} = 650$

**Report  
520**

#15

# DON'T FORGET!

520 is maximum per  
Employee, per Quarter.







**#4**



**#6**



**#7**



**#8**



**#10**



**#11**

4, 6, 7, 8, 16

= 2600

10 & 11

= 780

15

= 520 >>>>> 3900 = 1<sup>st</sup> line

12, 14, 17

= 1040 ..... 1040 = 2<sup>nd</sup> line

**HC-1 Section II:**

**Line A of HC-1 Form = 4940**

(Total hours worked by uncovered employees)



**#12**



**#14**



**#15**



**#16**



**#17**





**#4**



**#6**



**#7**



**#8**



**#10**



**#11**

**Total Uncovered Hours = 4940 (Line A)**  
**Divide by 520 = 9.5**  
**Round down = 9**

**Line B of the HC-1 form = 9**  
 (Total “unadjusted” FTEs)



**#12**



**#14**



**#15**



**#16**



**#17**





**#4**



**#6**



**#7**



**#8**



**#10**



**#11**

Total Uncovered "FTE"	=	9	(Line B)
Subtract # exempted	-	8	(# thru 6/30/08)
		1	

**Line C on the HC-1 form = 1 \***

(Total "adjusted" and reportable FTEs)

**\*Also reported on Line 16 of the C-101.**



**#12**



**#14**



**#15**



**#16**



**#17**







**#4**



**#6**



**#7**



**#8**



**#10**



**#11**

1 (Adjusted and reportable FTE)  
 x \$91.25 (Contribution rate per FTE)  
 \$91.25

**Line D on the HC-1 form = \$91.25\***

(Amount of Health Care Contributions due)

**\*Also reported on Line 17 of C-101.**



**#12**



**#14**



**#15**



**#16**



**#17**





# Review #1

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Matt works for a Pizzeria. His employer does not offer to pay a portion of a health care plan.

Are Matt's hours "uncovered"?

**YES**

(Provided he was 18 the entire quarter)

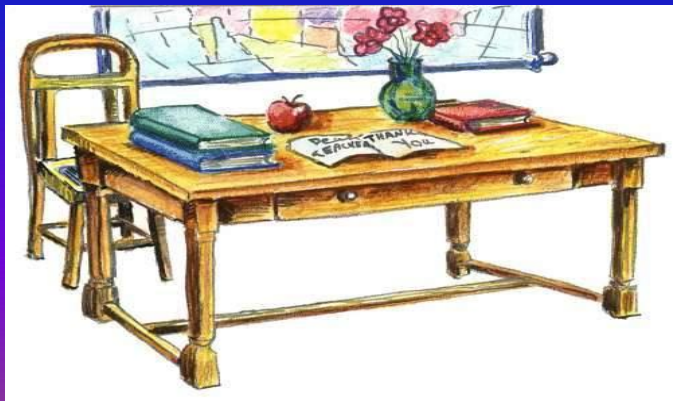


## Review #2

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Mary works for a school that offered to pay a portion of a health care plan for her, but she declined and has no other insurance.

Will Mary's hours be "uncovered"?



**YES**



# Review #3

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John works for a Construction Company that offered him health care but he declined it because he has other insurance.

Since John didn't take his employer's plan, will his hours be counted as "uncovered"?



**NO** (With Declaration)

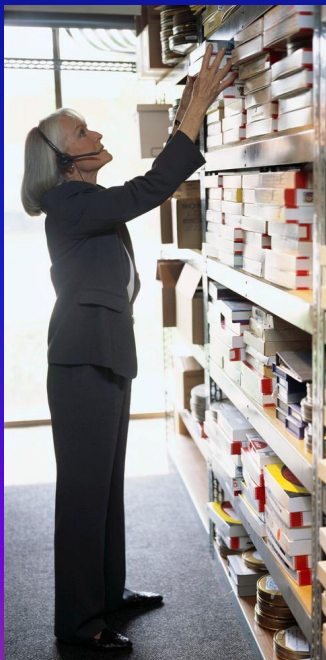
What if John refused to sign or submit the Declaration?

**Hours would be INCLUDED in FTE count.**



# Review #4

Jane works part-time in a supply store. Her employer offers to pay a portion of a HC plan for all full-time employees. Jane is covered under her husband's plan.



Will Jane's hours be "uncovered"?

**NO**

**Provided she work fewer than 390 hours in the reporting quarter.**

Does Jane need to complete a Declaration Form?

**YES**



# Review #4 - Modified

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Jane still works part-time, employer only offers a plan to its full-time employees, she still works fewer than 390 hours in the quarter, but Jane's health care coverage is VHAP.



Are Jane's hours "uncovered"? **YES**

Does Jane need to complete a Declaration Form? **YES**

**Without the declaration, the employer does not know if: a) they have coverage, and b) if coverage is VHAP or Medicaid.**



# Review #5



Bill offers to pay a portion of a health care plan for all employees. Will he owe any Health Care Contributions?

**Maybe...**

Declarations will be needed from all employees NOT enrolled in the plan he offers.

- ü Bill will **EXCLUDE** all employees who indicate on the declaration they have coverage, and...
- ü Bill will **INCLUDE** in his FTE calculation all hours worked in Vermont by employees who declare they have no health care coverage.





# Review 6

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While attending college, Judy works at a snack bar every summer. Generally the snack bar is open 15 weeks; Judy has coverage under her parent's plan. The employer does not offer health to any of its employees.

Will Judy's hours be "uncovered"? **YES**

What would need to change to have Judy be considered a "seasonal" employee? **Employer would have to offer HC coverage to ALL its full-time employees.**





**Department of Labor**  
State of Vermont



# Contact Information

Employer Services Unit – 802-828-4344

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**Please check our website for more information at:**

**[www.labor.vermont.gov](http://www.labor.vermont.gov)**

